
Tobin & Co.

Grand Traverse Fire Department

Rural Division

Audit Report

For the Year Ended December 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name Grand Traverse Fire Department - Rural Division		County Grand Traverse
Audit Date 12/31/04	Opinion Date 6/17/05	Date Accountant Report Submitted to State: 6/21/05		

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) TOBIN & CO., P.C. 400 E. EIGHTH ST.			
Street Address TRAVERSE CITY, MI 49686-2668		City 231-947-0151	State MI
Accountant Signature <i>David T. Barber</i>		Date 6-20-05	

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INTRODUCTORY SECTION

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Comments and Recommendations

In connection with our audit of the financial statements of the Grand Traverse Fire Department – Rural Division, for the year ended December 31, 2004, we submit the following comments and recommendations. This section is intended to take the place of a separate management letter.

General

The records were maintained in excellent condition by the Fire Department's accountant. Bank accounts were reconciled monthly, journals and ledgers were properly posted, and supporting documents and follow-up procedures were adequate. Monthly financial and budget status reports were presented to the Board. Your accountant's efforts in this area are commendable.

Budgets and Procedures

The procedures utilized in budget preparation, adoption and management were good. No violations of Act 621 of 1978 were noted. Budgets were adopted for the General Fund and Special Revenue Funds.

Capital Assets

The Rural Division Fire Department apparently owns no land or buildings. The Townships serviced by the Fire Department own and maintain their own fire stations, which are utilized by the Fire Department for its vehicles and equipment. Most vehicles and equipment are purchased, owned and maintained by the Rural Division Fire Department, which maintains records of its capital assets, and the participating units maintain records of assets to which they have title. Some assets are possibly recorded at estimated or replacement value, due to lack of historical data; however, new purchases are recorded at acquisition cost. A tower truck was received from Grand Traverse Fire Department – Metro Division at a value of \$165,000.

Insurance and Bonds

The Department has insurance coverage for fire, liability, automobile, equipment and workmen's compensation. Coverage was reviewed during the audit year. There is surety bond coverage for the treasurer.

Receipting

Official pre-numbered receipts are not utilized when income is received. Predominantly, revenue is received from Townships served by the Department. Such payments received are by check. Bank deposit slips, copies of payor checks, and remittance advices are kept for support, and the system appears to be adequate at the present time. Should there be an increase in sources of income or should the Department begin receiving currency, the use of official pre-numbered receipts for all income should be implemented.

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Comments and Recommendations

Board Minutes

Board minutes were maintained in good order.

General Fund

For the audit year, expenditures exceeded revenues by \$31,029, and the fund balance was \$147,435 at December 31, 2004.

Fire Prevention Bureau Fund

This fund was closed during the audit year by Board action and fire prevention activities were assimilated into the General Fund. \$120 of interest income and the beginning cash balance were transferred to the Public Improvement Fund.

Equipment Replacement Fund

This fund was established to account for a grant from the Grand Traverse Band of Ottawa and Chippewa Indians. The Department purchased SCBA and other equipment in accordance with provision of the grant. The balance in the fund was \$578 at December 31, 2004 which consists of the undisbursed portion of interest earned on invested funds and an unrestricted cash contribution of \$75.

Public Improvement Fund

This fund was established to account for non-grant monies set aside for capital purchases. The fund earned interest of \$987 and received a transfer of \$45,190 from the Fire Prevention Bureau Fund. The amount of the fund balance was \$93,876 at December 31, 2004.

Payroll Procedures

Department payroll records were in good order.

Other Data

After the completion of our audit, we will mail two (2) copies of this report to the State Department of Treasury.

We appreciate the courtesy extended our field auditor in the course of this examination. Your confidence is respected, and please contact us if any questions arise.

Tobin & Co.

FINANCIAL SECTION

Tobin & Co.

REPORT OF INDEPENDENT AUDITOR

Grand Traverse Fire Department
Rural Division
Traverse City, Michigan 49686

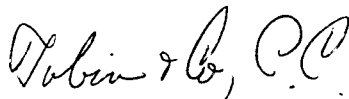
We have audited the accompanying basic financial statements of Grand Traverse Fire Department – Rural Division as of and for the year ended December 31, 2004, as listed in the Table of Contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grand Traverse Fire Department – Rural Division at December 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. The supplemental information has been subjected to the auditing procedures applied to the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying financial statements do not present a Management's Discussion and Analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be a part of, the basic financial statements.



Tobin & Co., P.C.
June 17, 2005

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Grand Traverse Fire Department – Rural Division

Statement of Net Assets

December 31, 2004

	<u>Primary Government</u>
	<u>Governmental Activities and Total</u>
<u>Assets</u>	
Cash	\$ 284,337
Receivables	138
Capital Assets	
Other Capital Assets, Net of Depreciation	<u>1,505,892</u>
Total Capital Assets	<u>1,505,892</u>
Total Assets	<u>1,790,367</u>
<u>Liabilities</u>	
Accounts Payable	42,586
Long-term Liabilities:	
Due within One Year	125,503
Due in More Than One Year	<u>130,712</u>
Total Liabilities	<u>298,801</u>
<u>Net Assets</u>	
Invested in Capital Assets, Net of Related Debt	1,249,677
Unrestricted	<u>241,889</u>
Total Net Assets	<u>\$ 1,491,566</u>

The Notes to the Financial Statements are an integral part of this statement.

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Grand Traverse Fire Department – Rural Division

Statement of Net Activities

For the Year Ended December 31, 2004

Functions/Programs	<u>Expenses</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Total</u>
Governmental Activities:			
Public Safety	<u>\$ 591,633</u>	<u>\$ 709,370</u>	<u>\$ 117,737</u>
Total Governmental Activities	<u>\$ 591,633</u>	<u>\$ 709,370</u>	<u>117,737</u>
General Revenues:			
Gain on Sale of Capital Assets			27,945
Unrestricted Investment Earnings			3,417
Miscellaneous			<u>75</u>
Total General Revenues			31,437
Change in Net Assets			149,174
Net Assets – Beginning			<u>1,342,392</u>
Net Assets – Ending			<u>\$ 1,491,566</u>

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Grand Traverse Fire Department – Rural Division

Balance Sheet

Governmental Funds

December 31, 2004

<u>Assets</u>	<u>General</u>	<u>Public Improvement Fund</u>	<u>Other</u>	<u>Total</u>
Cash in Bank	\$ 189,783	\$ 93,876	\$ 578	\$ 284,237
Petty Cash	100	-	-	100
Accounts Receivable	138	-	-	138
Total Assets	<u>\$ 190,021</u>	<u>\$ 93,876</u>	<u>\$ 578</u>	<u>\$ 284,475</u>

Liabilities and Fund Balances

Liabilities:

Accounts Payable	\$ 42,586	\$ -	\$ -	\$ 42,586
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Total Liabilities	<u>42,586</u>	<u>-</u>	<u>-</u>	<u>42,586</u>
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Fund Balances:

Unreserved	147,435	93,876	-	241,311
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Unreserved reported

in nonmajor:

Special Revenue Funds	-	-	578	578
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Total Fund Balances	<u>147,435</u>	<u>93,876</u>	<u>578</u>	241,889
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Total Liabilities and Fund

Balances	<u>\$ 190,021</u>	<u>\$ 93,876</u>	<u>\$ 578</u>	
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Amounts reported for governmental activities on the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,505,892
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Long-term liabilities do not use current financial resources and therefore are not reported in the funds.	<u>(256,215)</u>
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Net Assets	<u>\$ 1,491,566</u>
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The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Grand Traverse Fire Department – Rural Division Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2004

	General	Fire Prevention Bureau Fund	Public Improvement Fund	Other	Total
<u>Revenues</u>					
Contributions from Local Units	\$ 709,370	\$ -	\$ -	\$ -	\$ 709,370
Interest and Rents	2,308	120	987	2	3,417
Other	30,000	-	-	75	30,075
Total	741,678	120	987	77	742,862
<u>Expenditures</u>					
Personnel	147,609	-	-	-	147,609
Commodities	39,195	-	-	-	39,195
Contractual Services	21,848	-	-	-	21,848
Other Charges	200,156	-	-	-	200,156
Capital Outlay	227,763	-	-	-	227,763
Debt Service	136,136	-	-	-	136,136
Total	772,707	-	-	-	772,707
<u>Excess Revenues (Expenditures)</u>	(31,029)	120	987	77	(29,845)
<u>Other Financing Sources (Uses)</u>					
Operating Transfers In	-	-	45,190	-	45,190
Operating Transfers (Out)	-	(45,190)	-	-	(45,190)
Total	-	(45,190)	45,190	-	-
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	(31,029)	(45,070)	46,177	77	(29,845)
Fund Balance – Beg. of Year	178,464	45,070	47,699	501	
Fund Balance – End of Year	\$ 147,435	\$ -	\$ 93,876	\$ 578	

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets over their estimated useful lives are reported as depreciation expense.

This is the amount by which capital outlays exceeded depreciation and loss on sale of assets in the current year.

58,517

Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of repayment during the period.

120,502

Change in net assets of governmental activities.

\$ 149,174

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Grand Traverse Fire Department – Rural Division

Notes to Financial Statements

December 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Department's basic financial statements include the accounts of all Department operations. The criteria for including organizations within the Department's reporting entity, as set forth in GASB No. 14, "*The Financial Reporting Entity*", is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's Board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Based on the above criteria, there are no other organizations included in these financial statements.

B. Basis of Presentation

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the activities of the Department. The effect of interfund activity, within the governmental activities column, has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The Department segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Department has presented the following governmental funds:

General Fund – This fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the Department. Revenues are derived primarily from local distributions or grants.

Tobin & Co.

Grand Traverse Fire Department – Rural Division

Notes to Financial Statements

December 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Special Revenue Funds – These funds are used to account for specific governmental revenues (other than expendable trusts and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

C. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for recognition of all governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenue susceptible to accrual are charges for service, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received.

Tobin & Co.

Grand Traverse Fire Department – Rural Division

Notes to Financial Statements

December 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets

The General Fund and Special Revenue Funds are under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those amounts contained in the formal budget approved and amended by the Board.

In the body of the financial statements, the actual and budgeted expenditures for the budgetary fund have been shown on a function basis. The approved budget for the funds was adopted on a function basis.

For budgetary purposes appropriations lapse at fiscal year end.

E. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest is capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Vehicles	5 – 20 years
Equipment	3 – 10 years

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tobin & Co.

Grand Traverse Fire Department – Rural Division

Notes to Financial Statements

December 31, 2004

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. We noted no violations of legal provisions and/or contractual provision of various agreements related to financial matters.
- B. All funds had positive fund balances at December 31, 2004.
- C. Public Act 621 of 1978, Section 18, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended December 31, 2004, no violations of Act 621 of 1978 were noted.

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS

A. Legal Provisions for Deposits and Investments

Act 20, Public Acts of 1943, as amended by Act 217, Public Acts of 1982, and Act 196, Public Acts of 1998, states that the Board, by resolution, may authorize the Treasurer to invest surplus funds as follows:

- 1. In bonds, securities, and other direct obligations of the United States or an agency or instrumentality of the United States.
- 2. In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution but only if the financial institution complies with subsection (2).
- 3. In commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and which matures not more than 270 days after date of purchase.
- 4. In repurchase agreements consisting of instruments defined in (1) above.
- 5. In bankers' acceptances of United States Banks.
- 6. In obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.
- 7. In mutual funds registered under the investment company act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by local units of government in Michigan.

Tobin & Co.

Grand Traverse Fire Department – Rural Division

Notes to Financial Statements

December 31, 2004

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

B. Types of Deposits and Investments

The Fire Department has \$289,820 deposited with local banks at December 31, 2004 with a carrying value of \$284,011. Interpreting the FDIC insurance coverage, \$100,000 per demand deposit account and \$100,000 per time deposit account in each depository, the Fire Department had \$95,365 of uninsured deposits at December 31, 2004.

NOTE 4 - CAPITAL ASSETS

	<u>12/31/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/04</u>
Governmental Activities:				
Vehicles	\$ 2,867,960	\$ 218,646	\$ 54,960	\$ 3,031,646
Equipment	<u>17,000</u>	<u>-</u>	<u>-</u>	<u>17,000</u>
	2,884,960	218,646	54,960	3,048,646
Less Accumulated Depreciation	<u>(1,423,467)</u>	<u>(167,191)</u>	<u>(47,904)</u>	<u>(1,542,754)</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,461,493</u>	<u>\$ 51,455</u>	<u>\$ 7,056</u>	<u>\$ 1,505,892</u>

NOTE 5 - LONG-TERM DEBT

Long-term debt at December 31, 2004 consisted of a 4.15% installment note payable to a local bank, maturing \$136,136 annually including interest on November 1.

	<u>Balance 12/31/03</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/04</u>
Installment Note Payable	<u>\$ 376,717</u>	<u>\$ -</u>	<u>\$ 120,502</u>	<u>\$ 256,215</u>

Scheduled payments under the above installment loan are:

	<u>Principal</u>	<u>Interest</u>
November 1, 2005	\$ 125,503	\$ 10,633
2006	<u>130,712</u>	<u>5,425</u>
	<u>\$ 256,215</u>	<u>\$ 16,058</u>

Tobin & Co.

Grand Traverse Fire Department – Rural Division

Notes to Financial Statements

December 31, 2004

NOTE 6 - TRANSFERS BETWEEN FUNDS

During the audit year the Fire Prevention Bureau Fund transferred \$45,190 to the Public Improvement Fund.

NOTE 7 - INVENTORIES

The Rural Fire Department does not maintain a substantial inventory of supplies or materials. Purchases are normally made as needed, and the items are recorded as expenses at time of purchase.

NOTE 8 - LEASED EMPLOYEES

The Department's Fire Chief and Fire Prevention Officer are currently leased from the Grand Traverse Fire Department – Metro Division, reimbursing that Division on a monthly basis for salary and all related employment taxes and benefits.

NOTE 9 - OPERATING LEASES

The Department leases office space on a month-to-month basis from the Grand Traverse Fire Department – Metro Division. Total rent expense under this lease was \$3,190 for the audit year. In addition, the Department leases six fire stations from associated Townships at \$1,000 each per quarter under month-to-month leases. Total rent expense under these leases was \$24,000 for the audit year.

NOTE 10 - RISK MANAGEMENT

The Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and firefighters; and natural disasters. During the audit year, the Department addressed these risks through the purchase of commercial insurance. There was no significant reduction of insurance coverage from prior years nor have the amounts of any settlements exceeded insurance coverage in any of the past three fiscal years.

NOTE 11 - COMPENSATED ABSENCES

Full-time Department leased employees earn vacation leave, which may either be taken or accumulated, with a maximum carryover to a succeeding year of 5 days (more if approved by Department head), until paid upon termination or retirement. Department employees earn personal leave which may either be taken or accumulated and carried over to a maximum of 24 days. Unused accumulated sick leave shall be paid to the employee upon termination or retirement.

Tobin & Co.

Grand Traverse Fire Department – Rural Division

Notes to Financial Statements

December 31, 2004

NOTE 12- POST RETIREMENT BENEFITS

Full-time leased employees who retire are provided health care insurance for the retiree and their spouse. This coverage is provided for retirees at a minimum age of 60. In addition, Medicare “filler” coverage is provided for all retirees and their spouses who are covered under the Medicare benefits program. The cost of these benefits will be forwarded to the Rural Division by the lessor on a pay-as-you-go basis. Because of variations in retiree conditions and benefits usage, the present value of future benefits is not determined, but may be material.

NOTE 13- CONTINGENT LIABILITIES/SUBSEQUENT EVENTS

Departmental officials are aware of no contingent liabilities at December 31, 2004.

SUPPLEMENTAL DATA SECTION

Tobin & Co.

Grand Traverse Fire Department – Rural Division

Schedule 1

Page 1

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenues</u>				
Contributions from Local Units:				
Blair Township	\$ -	\$ -	\$ 157,904	\$ -
Fife Lake Township	-	-	31,922	-
Grant Township	-	-	19,768	-
Green Lake Township	-	-	119,671	-
Long Lake Township	-	-	162,824	-
Mayfield Township	-	-	31,968	-
Paradise Township	-	-	83,801	-
Union Township	-	-	9,246	-
Whitewater Township	-	-	69,637	-
Springfield (Kalkaska County) Township	-	-	22,629	-
Total	<u>709,370</u>	<u>709,370</u>	<u>709,370</u>	<u>-</u>
Interest and Rents:				
Interest	<u>2,000</u>	<u>2,000</u>	<u>2,308</u>	<u>308</u>
Total	<u>2,000</u>	<u>2,000</u>	<u>2,308</u>	<u>308</u>
Other:				
Sale of Fixed Assets	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total Revenues	<u>741,370</u>	<u>741,370</u>	<u>741,678</u>	<u>308</u>
<u>Expenditures</u>				
Personnel:				
Salaries and Wages	-	-	4,500	-
Leased Employees	-	-	142,765	-
Social Security and Medicare	-	-	344	-
Total	<u>148,857</u>	<u>148,857</u>	<u>147,609</u>	<u>1,248</u>

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Grand Traverse Fire Department – Rural Division

Schedule 1

Page 2

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>		
<u>Expenditures (continued)</u>				
Commodities:				
Office Supplies	-	-	380	-
Safety Equipment	-	-	2,108	-
Other Supplies	-	-	8,688	-
Uniforms and Accessories	-	-	11,184	-
Fuel, Oil and Grease	-	-	16,835	-
Total	<u>48,650</u>	<u>48,650</u>	<u>39,195</u>	<u>9,455</u>
Contractual Services:				
Legal Fees and Dues	-	-	12,264	-
Township Contracts and Fire Runs	-	-	4,555	-
Accounting Services	-	-	2,029	-
Telephone, Travel and Other	-	-	3,000	-
Total	<u>20,600</u>	<u>23,200</u>	<u>21,848</u>	<u>1,352</u>
Other Charges:				
Advertising	-	-	50	-
Insurance	-	-	37,119	-
Equipment Maintenance and Repairs – Stations	-	-	20,098	-
Radio Maintenance and Repairs – Stations	-	-	8,409	-
Vehicle Maintenance and Repairs – Stations	-	-	29,651	-
Office Space Rental	-	-	3,190	-
Station Rental	-	-	24,000	-
Employee Training	-	-	16,459	-
Appropriations – Administration	-	-	56,781	-
Rescue Supplies	-	-	4,399	-
Total	<u>208,281</u>	<u>208,281</u>	<u>200,156</u>	<u>8,125</u>

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Grand Traverse Fire Department – Rural Division

Schedule 1

Page 3

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>		
<u>Expenditures (continued)</u>				
Capital Outlay:				
Radios	-	-	18,212	-
Vehicles	-	-	175,881	-
Machinery and Equipment	-	-	33,670	-
Total	<u>380,502</u>	<u>380,502</u>	<u>227,763</u>	<u>152,739</u>
Debt Service:				
Principal	-	-	120,502	-
Interest	-	-	15,634	-
Total	<u>136,136</u>	<u>136,136</u>	<u>136,136</u>	<u>-</u>
Contingency	<u>9,346</u>	<u>6,746</u>	<u>-</u>	<u>6,746</u>
Total Expenditures	<u>952,372</u>	<u>952,372</u>	<u>772,707</u>	<u>179,665</u>
<u>Excess Revenue (Expenditures)</u>	<u>(211,002)</u>	<u>(211,002)</u>	<u>(31,029)</u>	<u>179,973</u>
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	90,500	90,500	-	(90,500)
Operating Transfers (Out)	-	-	-	-
Total	<u>90,500</u>	<u>90,500</u>	<u>-</u>	<u>(90,500)</u>
<u>Excess Revenues (Expenditures) and</u> <u>Other Financing Sources (Uses)</u>	(1) \$ <u>(120,502)</u>	\$ <u>(120,502)</u>	(31,029)	\$ <u>89,473</u>
Fund Balance – Beginning of Year			<u>178,464</u>	
Fund Balance – End of Year			\$ <u>147,435</u>	
(1) Budgeted from Fund Balance				

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Grand Traverse Fire Department – Rural Division

Schedule 2

Statement of Revenues, Expenditures and Changes in Fund Balance

Fire Prevention Bureau Fund

For the Year Ended December 31, 2004

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Earned Interest	\$ 120	\$ 120	\$ -
Total	120	120	-
<u>Expenditures</u>			
Total	-	-	-
<u>Excess Revenues (Expenditures)</u>	120	120	-
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	-	-	-
Operating Transfers (Out)	(45,190)	(45,190)	-
Total	(45,190)	(45,190)	-
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	(1) \$ (45,070)	(45,070)	\$ -
Fund Balance – Beginning of Year		45,070	
Fund Balance – End of Year		\$ -	

(1) Budgeted from Fund Balance

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Grand Traverse Fire Department – Rural Division

Schedule 3

Statement of Revenues, Expenditures and Changes in Fund Balance

Equipment Replacement Fund

For the Year Ended December 31, 2004

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Earned Interest	\$ 500	\$ 2	\$ (498)
Other	-	75	75
Total	500	77	(423)
<u>Expenditures</u>			
Total	-	-	-
<u>Excess Revenues (Expenditures)</u>	500	77	(423)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
Total	-	-	-
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	\$ 500	77	\$ (423)
Fund Balance – Beginning of Year		501	
Fund Balance – End of Year		\$ 578	

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Grand Traverse Fire Department – Rural Division

Schedule 4

Statement of Revenues, Expenditures and Changes in Fund Balance

Public Improvement Fund

For the Year Ended December 31, 2004

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Earned Interest	\$ -	\$ 987	\$ -
Total	125	987	862
<u>Expenditures</u>			
Total	-	-	-
<u>Excess Revenues (Expenditures)</u>	125	987	862
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	45,190	45,190	-
Operating Transfers (Out)	(90,500)	-	90,500
Total	(45,310)	45,190	90,500
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	(1) \$ (45,185)	46,177	\$ 91,362
Fund Balance – Beginning of Year		47,699	
Fund Balance – End of Year		\$ 93,876	
(1) Budgeted from Fund Balance			

The Notes to the Financial Statements are an integral part of this statement.